GOVERNMNET OF ANDHRA PRADESH
ABSTRACT

WATER RESOURCES DEPARTMENT – Incorporation of Special Purpose Vehicle (SPV) as a 100 % State owned company under Water Resources Department under the Companies Act, 2013 in the name & style of "**Andhra Pradesh Palnadu Area Drought Mitigation Projects Corporation Limited** (**AP PADMPCL)**" or such other name as approved by the Registrar of Companies (ROC), Ministry of Corporate Affairs, Government of India – Permission- Accorded.

WATER RESOURCES (Projects-II) DEPARTMENT

G.O.MS.No. 61 **Dated: 25-11-2020.**

Read the following:

1) From the Engineer-In-Chief (Irrigation), W.R.Department, Vijayawada Letter No. ENC(I)/ WRD/AP/2020, dated:08.08.2020
2) From the CE, KDS, Vijayawada Letter.No.CE/KDS/VIJ/OT-2/AEE5/Guntur Channel Ext/1950, dated:23.10.2020.
3) From the Engineer-In-Chief (Irrigation), W.R.Department, Vijayawada Letter No. ENC(I)/ WRD/AP/2020, dated:05.11.2020.

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O R D E R:

In the reference 1st & 3rd read above, the Engineer-In-Chief (Irrigation), Vijayawada has reported that the Palnadu region is a under distress due to low rainfall and insufficient inflows from the upper reaches of river Krishna and usually faces drought situation. The traditional staple food, paddy could not be taken up in the Nagarjuna Sagar Jawahar Main Canal command due to insufficient flows and only protective irrigation is being given partly to the isolated areas located in Guntur and Prakasam Districts. Farmers have represented several times in different forums for supply of required flows for assured Irrigation in the command area. To overcome these challenges and provide minimum water security to Palnadu region and in order to maximize the utilization of flood water during the monsoon period, it is proposed to supplement the capacities of existing canal systems/additional lift schemes servicing the region. This scheme will benefit 73,136 acres of new ayacut and to stabilize the existing ayacut 9,61,231 Acres in Guntur, Prakasam districts and also stabilizing the ayacut under MI tanks and new ayacut falling beyond 80 Kms of Nagarjuna Sagar Jawahar Canal which is not localized under any of the existing irrigation projects so that 16 assembly constituencies and 54 mandals in Guntur, Prakasam districts will be benefited.

2) The Engineer-In-Chief (Irrigation), Vijayawada has further reported that, in order to fund the implantation of the YSR Palnadu Area Drought Mitigation Project, domestic and international financial institutions are planned to be approached for which an SPV is proposed to be created under the Water Resources Department to be responsible for the funding, project management and to oversee these projects. The SPV is proposed to be called **Andhra Pradesh Palnadu Area Drought Mitigation Projects Corporation Limited** (**AP PADMPCL)** and its Main office is proposed to be at Room No.4, First Floor, Farmers Training Centre Building, Irrigation Compound, Governorpet, Vijayawada. The advantages of utilizing an SPV are as follows:

a)	Through forming a separate SPV, any financial difficulties/constraints of the new projects cannot spill over into any other Government Project and vice versa.
b)	The SPV can arrange financing through loans from financial institutions and even has the option to tap into public markets.
c)	The SPV shall enable efficient monitoring of projects progress in a transparent manner.

3) The Engineer-In-Chief (Irrigation), Vijayawada has further reported that the SPV is considered a 70:30 Debt-Equity Split for the total funding requirement based on the multiple communications with the financing agencies. However, we shall explore the possibility of decreasing the equity share to either 20% or 10%. The total equity requirement for the projects identified over the four year period shown above is Rs.2,290.00 Crores and the corresponding debt requirement over the same four year period is Rs.5,343.00 Crores. The equity requirement may be termed the total authorities share capital for the SPV and the initial paid-up share capital is mooted as Rs.9.85 Crores. The initial paid-up share capital shall be required from the budget of Water Resource Department.

4) The Engineer-In-Chief (Irrigation), Vijayawada has requested the Government to accord **approval with regards to the utilization of the budget of W.R. Department for the paid-up share capital, the name and address of the SPV and the composition of the Board of Directors ad Organization Structures.** Any suggestions for modifications to the above parameters are welcome and shall be incorporated. Following approval from the Government, **the process of registration of the SPV will be taken up with the Ministry of Corporate Affairs**. And also requested to kind support to enable the formation of Special Purpose Vehicle at the earliest. In order to tap necessary funds required for implementation of the **YSR Palnadu Area Drought Mitigation Project.**

5) Further, In the reference 2nd read above, the Chief Engineer, Krishna Delta System, Vijayawada has requested the Government to include **i) Guntur Channel Extension scheme** and **ii) YSR-Vedadri Lift Irrigation Scheme also under "YSR Palnadu Drought Mitigation Project"** and communicate the orders.

6) Government after careful examination of the matter, hereby accord permission to the Engineer-In-Chief (Irrigation), Vijayawada, for Incorporation of Special Purpose Vehicle (SPV) as a 100 % State owned company under Water Resources Department under the Companies Act, 2013 in the name & style of "**Andhra Pradesh Palnadu Area Drought Mitigation Projects Corporation Limited** (**AP PADMPCL)**", duly including **i) Guntur Channel Extension scheme** and **ii) YSR-Vedadri Lift Irrigation Scheme also under "YSR Palnadu Drought Mitigation Project",** subject to the following conditions:

i. The initial paid-up share capital will be kept at Rs.5.00 crores & met from the budget of the W.R. Department. The paid-up share capital can be raised to appropriate levels, at periodic intervals, basing upon the requirement.
ii. The positions in the company shall be staffed by deputing personnel with the necessary skill-set from the W.R. Department.
iii. The position of Company Secretary shall be filled only after the activities of the company achieves a critical mass.
iv. The debt shall be secured by the company, at the most concessional rate of interest & terms, with the prior consent of the Finance Department.
v. All the statutory compliances as mandated under the Companies Act for the incorporation as well as the operation of the company are strictly adhered.

The details of Name, objective, composition of Directors and Shareholders for the incorporation of **Andhra Pradesh Palnadu Drought Mitigation Projects Corporation Limited (APPADMPCL)** with Ministry of Corporate Affairs are detailed below…

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<tr><th>#.</th><th>Description</th><th colspan="2">Details</th></tr>
<tr><td>1.</td><td>Name of the SPV</td><td colspan="2">AP Palnadu Drought Mitigation Projects Corporation Limited (APPADMPCL)</td></tr>
<tr><td>2.</td><td>Objective of the company</td><td colspan="2">The objective of the company is to implement projects under the Palnadu Drought Mitigation Schemes to provide water for drinking, domestic, irrigation and industrial needs to improve the social and economic structure of the Palnadu region in the state.</td></tr>
<tr><td>3.</td><td>Type of entity</td><td colspan="2">Public Limited Unlisted Company</td></tr>
<tr><td>4.</td><td>Initial paid-up share capital</td><td colspan="2">Rs. 5,00,00,000/- (Rupees five Crores only)</td></tr>
<tr><td rowspan="3">5.</td><td rowspan="3">Composition of Directors</td><td>1. Chairman and Managing Director – Special Chief Secretary / Principal Secretary / Secretary, Water Resources Dept</td><td>Shri. Aditya Nath Das, IAS</td></tr>
<tr><td>2. Director- Principal Finance Secretary / Secretary, Finance Department</td><td>Shri. Shamsher Singh Rawat, IAS</td></tr>
<tr><td>3. Director– Engineer-in-Chief, Irrigation Department</td><td>Shri. C Narayana Reddy</td></tr>
<tr><td>6.</td><td>Details of shareholders (Nominal value of each share is INR 10)</td><td colspan="2">
<table>
<tr><th>#</th><th>Shareholder</th><th>Name of the Subscriber as on date</th><th>No. of Shares</th></tr>
<tr><td>1</td><td>Government of Andhra Pradesh (Water Resources Department) represented by Special Chief Secretary / Principal Secretary / Secretary, Water Resource Department</td><td>Shri. Aditya Nath Das, IAS</td><td>49,99,994</td></tr>
<tr><td>2</td><td>Principal Finance Secretary / Secretary, Finance Department</td><td>Shri. Shamsher Singh Rawat, IAS</td><td>1</td></tr>
<tr><td>3</td><td>Engineer-in-Chief, Water Resources Department</td><td>Shri. C Narayana Reddy</td><td>1</td></tr>
<tr><td>4.</td><td>Chief Engineer (Projects), Ongole</td><td>Shri. Jalandhar Kampa</td><td>1</td></tr>
<tr><td>5.</td><td>Superintending Engineer, IC, Vijayawada</td><td>Shri. Narashima Murthy Kancharana</td><td>1</td></tr>
<tr><td>6.</td><td>Superintending Engineer, IC, Guntur</td><td>Shri. Babu Rao Malepati</td><td>1</td></tr>
<tr><td>7.</td><td>Superintending Engineer, NSJC O&M Lingamguntla</td><td>Shri. Purushottama Ganga Raju Chaganti</td><td>1</td></tr>
<tr><td colspan="3">Total</td><td>50,00,000</td></tr>
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7) The Engineer-In-Chief(Irrigation), Vijayawada shall take further action accordingly.

8) This order issues with the concurrence of Finance (FMU.WR.I) Department vide their U.O.No.FIN01-FMU0MRAS(WR2)/221/2020-FMU-WR-II Computer No: 1216824, dated:14.09.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS
SPECIAL CHIEF SECRETARY TO GOVT

To
The Engineer-In-Chief(Irrigation), Irrigation Compound, Vijayawada.

Copy to:

The PS to Addl. Secretary to Chief Minister.
The P.S to Hon'ble Minister for Water Resources.
The P.S to Special Chief Secretary to Government (WRD).
The Finance (FMU- WR.II) Dept.,
The Chief Engineer, Krishna Delta System, Vijayawada.
Sf/Sc.

// FORWARDED :: BY ORDER //

SECTION OFFICER